

parties in interest and will avoid the Debtors' incurrence of unnecessary expenses and facilitate the Debtors' successful emergence from chapter 11.

22. Documentation. The execution, delivery and consummation of any documentation (including, without limitation, instruments of transfer) evidencing the transfer of Excluded Assets (including, without limitation, Excluded Assets constituting real property) by the Debtors to the Successor Entity and its designees pursuant to the Plan, may not be taxed under any law imposing a stamp tax, sales and use tax or similar tax pursuant to section 1146(c) of the Bankruptcy Code (including, without limitation, transfer and recordation taxes).

23. Tax Provisions. Pursuant to section 1146(c) of the Bankruptcy Code (i) the issuance and transfer of the Shares, (ii) the execution, delivery, filing or recording of any mortgage, deed of trust, leasehold mortgage, financing statement or other security interest or other instrument in connection with the Financing Transactions and (iii) the making, execution, delivery, filing or recording of any agreement or instrument in furtherance of, or in connection with, the Plan, including any merger agreements, agreements of consolidation, restructuring, disposition, liquidation or dissolution, deeds, leases, bills of sale, or assignments executed in connection with the Stock Purchase Agreement and the Financing Transactions, are under the Plan and will not be subject to any stamp tax, sales and use tax or similar tax (including, without limitation, transfer and recordation tax), provided that in the event that any such tax shall be payable, (x) the Successor Entity shall pay all such Taxes (other than Taxes arising from the recognition of gain from such transfer) arising from the transfer of assets from the Debtors to the Successor Entity on the Effective Date (and the transfer of Excluded

Assets to third parties) and (y) the Reorganized Debtors shall be obligated to pay any other such amount.

24. Satisfaction of Confirmation Requirements. The Plan satisfies all the requirements for confirmation set forth in section 1129(a) of the Bankruptcy Code, other than the requirements of subsection (8) thereof. The requirements of section 1129(b) of the Bankruptcy Code are satisfied as to Class 6 and Class 7 because (a) there is no class of Claims or Interests junior to such Classes retaining or receiving any property and (b) the Plan is fair and equitable, and does not discriminate unfairly with respect to such Classes.

25. Conditions to Confirmation. This Order shall satisfy the requirements of Section 10.1 of the Plan that: (i) the Bankruptcy Court shall have entered the Confirmation Order in form and substance satisfactory to the Debtors, the Prepetition Agent, the Creditors' Committee and insofar as this Order relates to or concerns the Stock Purchase Agreement and the transactions to be consummated under the Plan and the Stock Purchase Agreement, in form and substance satisfactory to the Purchaser; and (ii) the Stock Purchase Agreement has not been terminated and remains binding on LJSR and the Purchaser.

26. Retention of Jurisdiction. The Court may properly retain jurisdiction over the matters set forth in Article XIII of the Plan and paragraph 61 below.

DECREEES

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED,
DECREED AND DETERMINED THAT,

27. Confirmation. The Plan (as modified by the modifications set forth in paragraph 39 hereof), is confirmed under section 1129 of the Bankruptcy Code. All objections to the Plan not heretofore withdrawn are overruled in their entirety.

28. Provisions of Plan and Order Nonseverable and Mutually Dependent. The provisions of the Plan and this Confirmation Order, including the findings of fact and conclusions of law set forth herein, are nonseverable and mutually dependent.

29. Plan Classification Controlling. The classification of Claims and Interests for purposes of the Distributions to be made under the Plan shall be governed solely by the terms of the Plan. The classifications and amounts of Claims, if any, set forth on the Ballots tendered to or returned by the Debtors' creditors in connection with voting on the Plan (i) were set forth on the Ballots solely for purposes of voting to accept or reject the Plan, (ii) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of such Claims or Interests under the Plan for distribution purposes, and (iii) shall not be binding on the Debtors, their estates, the Reorganized Debtors or the Successor Entity.

30. Substantive Consolidation of the Debtors. For all purposes related to the Plan, including, without limitation, with respect to voting, confirmation, Distributions and administration, subject to the occurrence of the Effective Date, (i) all assets and liabilities of Abbot Advertising Agency, Inc., Florenz, Inc., Long John Silver's Properties, Inc., QSC and LJS shall be deemed merged or treated as though they were merged into and with the assets and liabilities of LJSR, (ii) no Distributions shall be made under the Plan on account of intercompany Claims among the Debtors and such claims shall be discharged on the Effective Date and deemed contributed by the holder

thereof to the capital of the Debtors against which such Intercompany Claim is held, (iii) no Distributions shall be made under the Plan on account of any Interest in any Subsidiary, (iv) all guarantees of the Debtors of the obligations of any other Debtor shall be deemed eliminated so that any Claim against any Debtor and any guarantee thereof executed by any other Debtor and any joint or several liability of any of the Debtors shall be deemed to be one obligation of the consolidated Debtors, and (v) each and every Claim filed or to be filed in the Chapter 11 Case of any of the Debtors shall be deemed filed against the consolidated Debtors, and shall be deemed one Claim against and obligation of the consolidated Debtors. Notwithstanding the foregoing, such substantive consolidation shall not (other than for purposes related to the Plan) affect (i) the legal and corporate structure of the Reorganized Debtors, (ii) any Interest in any Subsidiary and (iii) the pre- and post-Petition Date guarantees that are required to be maintained (x) in connection with executory contracts or unexpired leases that were entered into during the Chapter 11 Cases or that have been assumed, (y) pursuant to the Plan, or (z) in connection with the Financing Transactions to be entered into by the Reorganized Debtors on the Effective Date.

31. Discharge. Except as otherwise provided in this Confirmation Order, the rights afforded under the Plan and the treatment of Claims and Interests under the Plan will be in exchange for, and in complete satisfaction, discharge and release of, all Claims and termination of all Interests. Except as otherwise expressly provided in the Plan or this Confirmation Order, entry of this Confirmation Order shall act as a discharge effective as of the Effective Date of any and all Claims against or Interests in the Debtors or any of their assets that arose at any time before the entry of the Confirmation Order.

The discharge shall be effective as to each Claim and Interest except as otherwise expressly provided in the Confirmation Order, regardless of whether:

- (a) a proof of claim based on such debt or liability is filed or deemed filed under section 501 of the Bankruptcy Code;
- (b) a Claim based on such Claim, Interest, debt or liability is Allowed; or
- (c) the holder of a Claim based on such Claim, Interest, debt or liability has accepted the Plan.

37 Limitation of Liability. Notwithstanding any provision of the Plan, none of (i) the Debtors, (ii) the Reorganized Debtors, (iii) the Successor Entity, (iv) the Creditors' Committee, (v) any member of the Creditors' Committee during the Chapter 11 Cases, (vi) the Franchisee Committee, (vii) any member of the Franchisee Committee during the Chapter 11 Cases, (viii) the Purchaser, (ix) AWR, (x) the Prepetition Agent, (xi) the Prepetition Lenders, (xii) the Steering Committee, (xiii) any member of the Steering Committee during the Chapter 11 Cases, (xiv) the Postpetition Agent, (xv) the Postpetition Lenders, (xvi) the holders of Common Stock, Preferred Stock and Subordinated Note Claims and (xvii) the directors, officers, agents, representatives, accountants, financial advisors, attorneys or employees of any of the foregoing shall have or incur any liability for actions taken or omitted to be taken in good faith under or in connection with the Plan or in connection with the Chapter 11 Cases or the operation of the Debtors during the pendency of the Chapter 11 Cases or after the Effective Date. The Successor Entity, the Debtors and each of their respective officers, directors, employees, agents, attorneys and advisors are forever released and discharged from any and all claims, causes of action and liabilities arising from or related to any Tax Claim or

determination thereof except as otherwise provided for in this Confirmation Order or in Section 3.1 of the Plan.

3.3. Cancellation and Surrender of Instruments, Securities and Other Documentation. On the Effective Date, all Preferred Stock, Common Stock, Subordinated Notes, Bank Notes, the Related Stock Agreements, and any other rights to acquire Common Stock, Preferred Stock, Subordinated Notes, Bank Notes, warrants, warrant agreements or other interests shall be deemed canceled and of no further force or effect without any further action on the part of the Bankruptcy Court or any Person. The holders of instruments, securities and other documentation evidencing such canceled Claims or Interests shall have no rights arising from or relating to such instruments, securities or other documentation or the cancellation thereof, except the rights provided pursuant to the Plan. On the Effective Date, other than as expressly stated in this Confirmation Order or the Plan, all incentive benefit plans of any Debtor, including, without limitation, (i) the Senior Management Stock Option Plan; (ii) the Long Term Incentive Plan; (iii) the Senior Management Motivation and Retention Plan and (iv) each stock appreciation rights or similar program (together with the plans specified in clauses (i), (ii) and (iii), the "Canceled Plans") shall be terminated and canceled whereupon the Reorganized Debtors shall not be bound by the terms of Canceled Plans and shall not be liable for any Claim arising from or related to the termination of the Canceled Plans. Nothing contained in the Plan shall limit the right of the Reorganized Debtors to modify or terminate any other stock incentive plan or plan adopted (other than each Employment Agreements approved under the Retention and Severance Order) or to adopt any additional stock option, incentive or other benefit plans or programs in accordance with

applicable non-bankruptcy law and the Reorganized Debtor's then-existing bylaws and charter.

34. Binding Effect. Pursuant to section 1141 of the Bankruptcy Code, effective as of the Confirmation Date, but subject to the occurrence of the Effective Date, and except as expressly provided in the Plan or this Confirmation Order, the provisions of the Plan (including the exhibits to, and all documents and agreements executed pursuant to, the Plan) and this Confirmation Order shall be binding on (i) the Debtors, (ii) the Reorganized Debtors, (iii) the Successor Entity, (iv) all holders of Claims against and interests in the Debtors, whether or not impaired under the Plan and whether or not, if impaired, such holders accepted the Plan, and (v) each person acquiring property under the Plan.

35. Revesting of Assets. Except as otherwise expressly provided in the Plan or this Confirmation Order, on the Effective Date, the Reorganized Debtors shall be vested with all assets of the Debtors (other than the Excluded Assets, the rights, title and interest of any Debtor transferred to the Successor Entity pursuant to the Plan or the Successor Agreement or any right, title or interest of LJSR or the Reorganized Company transferred to the Successor Entity under the Stock Purchase Agreement, all of which shall vest in the Successor Entity) free and clear of all Liens, Claims, charges, encumbrances and other interests of creditors and equity security holders arising prior to the Effective Date. The Reorganized Debtors may operate their businesses free of any restrictions imposed by the Bankruptcy Code, the Bankruptcy Rules or by the Court, subject only to the terms and conditions of the Plan and the Stock Purchase Agreement.

36. Injunction. Except as otherwise expressly provided in the Plan, this Confirmation Order, or a separate order of the Bankruptcy Court, all entities who

have held, hold, or may hold Claims against or interests in the Debtors which arose before or were held as of the Effective Date, are permanently enjoined, on and after the Effective Date, from (i) commencing or continuing in any manner any action or other proceeding of any kind against the Debtors, the Successor Entity or the Reorganized Debtors, with respect to any such Claim or Interest, (ii) the enforcement, attachment, collection, or recovery by any manner or means of any judgment, award, decree, or order against the Debtors, the Successor Entity or the Reorganized Debtors on account of any such Claim or Interest, (iii) creating, perfecting, or enforcing any encumbrance of any kind against the Debtors or against the property or interests in property of the Debtors, the Successor Entity or the Reorganized Debtors on account of any such Claim or Interest and (iv) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from the Debtors, the Successor Entity or the Reorganized Debtors or against the property or interests in property of the Debtors, the Successor Entity or the Reorganized Debtors on account of any such Claim or Interest.

37. Continuation of Automatic Stay. Except as otherwise expressly provided in the Plan, this Confirmation Order or a separate Order of the Bankruptcy Court, all injunctions or stays provided for in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect through and including the Effective Date.

38. Assumed Contracts and Leases. Other than executory contracts and unexpired leases which (i) have been rejected prior to, or are the subject of a motion to reject pending on, the Confirmation Date, (ii) are listed on the Rejection Schedule, (iii) are Purchaser Designated Rejected Leases or (iv) have expired or terminated pursuant to

their own terms during the pendency of the Chapter 11 Cases, all of the executory contracts and unexpired leases that exist between the Debtors and any person are specifically assumed as of the Effective Date pursuant to the Plan. The Successor Entity, except as otherwise agreed by the parties or ordered by the Court, will cure any and all undisputed defaults within 30 days of the Effective Date under any executory contract or unexpired lease or employment agreement assumed pursuant to the Plan in accordance with the Cure Payment Schedule. The Successor Entity shall make all payments to the Consenting Franchisees under paragraph 2 of the Franchisee Stipulation within 30 days of the Effective Date and shall provide counsel to the Franchisee Committee with a schedule of such payments at the time they are made. All disputed defaults that are required to be cured shall be cured by the Successor Entity either within 30 days of the entry of a Final Order determining the amount, if any, of the Debtors' or the Reorganized Debtors' liability with respect thereto, or as may otherwise be agreed to by the parties.

39. Modifications To Plan. At the request of its proponents, the Plan is hereby modified pursuant to section 1127(a) of the Bankruptcy Code as follows:

(a) Section 2.2 is amended by deleting the definition of "Closing Consideration" and inserting in lieu thereof: "'Closing Consideration" means the Purchase Price."

(b) Section 2.2 is further amended by deleting the definitions for "Estimated Purchase Price", "Estimated Purchase Price Notice", "Purchase Price Adjustment", "Purchase Price Escrow Agent", "Purchaser Price Escrow Agreement" and "Purchase Price Escrow Amount".

(c) Section 2.2 is further amended by adding the following definitions immediately following the definition of "Provident Facility":

(i) "'Purchase Price" means the "Purchase Price" as calculated by the Debtors pursuant to the Stock Purchase Agreement and set forth in the Purchase Price Notice."

(ii) "Purchase Price Notice" means the notice delivered to Purchaser not less than three Business Days and not more than five Business Days prior to the Closing Date by LJSR, and certified by the Treasurer of LJSR pursuant to Section 2.05(a) of the Stock Purchase Agreement."

(d) Section 2.2 is further amended by deleting the word "Estimated" from the definition of "Retention Payments"

(e) Section 2.2 is further amended by deleting the period at the end of the definition of "Stock Purchase Agreement" and inserting in lieu thereof, "as amended from time to time."

(f) The first paragraph in Article IV (immediately preceding Section 4.1) is amended by deleting the first sentence thereof and inserting in lieu thereof "All Claims and Interests, except Administrative Claims and Priority Tax Claims, are placed in Classes as set forth below."

(g) Section 5.1 is amended by deleting subsection (d) and inserting in lieu thereof "(d) intentionally omitted;"

(h) Section 7.2 is amended by deleting subpart (iii) of subsection (a) thereof and inserting in lieu thereof "(ii) intentionally omitted;"

(i) Section 7.2 is further amended by deleting subsection (b) thereof and inserting in lieu thereof the following:

"(b) cash equal in amount to the Purchase Price shall be paid on the Effective Date as follows: (i) cash in an amount equal to the Purchase Price less \$15,000,000 shall be paid directly to the Successor Entity from the proceeds of the Financing Transactions on behalf of LJSR to fund Distributions to holders of Allowed Claims; and (ii) \$15,000,000 in cash shall be paid by the Purchaser to the Successor Entity in respect of the delivery of the Shares by the holders of Allowed Class 1 Claims; provided that the aggregate payments made pursuant to this subsection (b) shall not be less than the Purchase Price."

(j) Section 7.2 is further amended by deleting subsection (c) and inserting in lieu thereof "(c) intentionally omitted."

(k) Section 7.4 is amended by deleting subpart (i) of subsection (b) and inserting in lieu thereof "(i) intentionally omitted."

(l) Section 7.6 is amended by deleting the following language from subsection (a): ", and (ii) LJSR's rights, title and interest under the Purchase Price Escrow Agreement".

(m) Section 7.7 is amended by deleting from subsection (a) "(i) the Closing Consideration by the Successor Entity and (ii) the Purchase Price Escrow Amount by the Purchase Price Escrow Agent; and inserting in lieu thereof "the Closing Consideration by the Successor Entity".

(n) Section 7.20 is amended by deleting from subsection (b) thereof the phrase "the Purchase Price Escrow Amount, the Purchase Price Adjustment".

(o) Section 10.1 is amended by deleting from subsection (a) thereof the phrase "the Purchase Price Escrow Agreement and the transactions to be consummated hereunder and under such agreements" and inserting in lieu thereof the phrase "and the transactions to be consummated hereunder and thereunder".

(p) Section 14.5 of the Plan is amended by deleting subsection (a) thereof and inserting in lieu thereof the following:

"the Franchisee Committee will exist for the limited purposes of (i) enforcing the terms of the Franchisee Stipulation (as defined in the Confirmation Order) in the event of an alleged breach thereof, (ii) filing any pleading or making any statements on the record in support of a Consenting Franchisee (as defined in the Confirmation Order) in the event of an alleged breach of the Franchisee Stipulation (as defined in the Confirmation Order), and (iii) preparing, prosecuting and defending applications for allowance of compensation for services rendered or reimbursement of expenses incurred"

(p) The list of Exhibits is amended by deleting "Exhibit B - Form of Purchase Price Escrow Agreement" and inserting in lieu thereof "Exhibit B - intentionally omitted".

The Plan and the modifications set forth above together constitute the Plan.

40. Franchisee Stipulation: Franchisee Committee. The Franchisee Stipulation is hereby deemed amended such that the franchisees listed on Exhibit D hereto shall be Consenting Franchisees within the meaning of the Franchisee Stipulation.

41. General Authorizations; Plan Modifications. Pursuant to section 1142(b) of the Bankruptcy Code, (i) the Debtors, (ii) the Reorganized Debtors, (iii) the Successor Entity and (iv) all other necessary parties are authorized and empowered to (x) execute and deliver any instrument, agreement or document and (y) perform any act that is necessary, desirable, or required to comply with the terms and conditions of the

Plan and consummation of the Plan, and are authorized and empowered, without limitation, to take all actions necessary or appropriate to enter into, implement, and consummate the contracts, instruments, and other agreements or documents created in connection with the Plan (including, without limitation, arising under or in connection with the Stock Purchase Agreement and the Financing Transactions). After entry of this Confirmation Order, the Debtors, the Reorganized Debtors and the Successor Entity may amend or modify the Plan, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan, provided, however, that any material modifications to the Plan shall be subject to the consent of the Prepetition Agent, the Creditors' Committee, the Trustee, the Franchise Committee and the Purchaser.

42. Authorizations Under Applicable State Law. The Debtors, Reorganized Debtors and the Successor Entity are authorized, empowered, and directed pursuant to section 105 of the Bankruptcy Code and, as applicable, sections 271B.8-210 of the Kentucky Revised Statutes and sections 141(f) and 303 of the General Corporation Law of the State of Delaware, to take any and all actions necessary or desirable to implement the transactions contemplated by the Plan and this Confirmation Order, all without further corporate action or action of the directors or stockholders of the Debtors or Reorganized Debtors, including, without limitation:

(a) to reconstitute the boards of directors of Reorganized Company and each of the other Reorganized Debtors as contemplated by the Reorganized By-Laws;

(b) to amend the Articles of Incorporation, the Certificates of Incorporation and By-laws of each of the Reorganized Debtors as contemplated by Exhibits C-1, C-2, D-1 and D-2 to the Plan;

(c) to enter into the Successor Agreement and to appoint the Trustee;
and

(d) to authorize the appropriate officers of the Reorganized Debtors to execute any documents, instruments or agreements necessary, desirable, or required to comply with the terms and conditions of the Plan and consummation of the Plan (each, a "Plan Document").

43. Survival of Provisions of Final Financing Order Until Effective

Date. Notwithstanding anything to the contrary contained in the Plan or this Confirmation Order, the Obligations under and as defined in the Postpetition Credit Agreement and the rights, liens, priorities, and other protections provided to the Postpetition Lenders under and as defined in the Postpetition Credit Agreement and the Final DIP Order, shall survive the Confirmation Date and continue in full force and effect until the Effective Date.

44. Authorization to Pay Obligations Under DIP Credit Facility in

Full. The Debtors shall be, and hereby are, authorized and directed, on the Effective Date to pay in full to the Postpetition Agent all Obligations (as defined in the Postpetition Credit Agreement) owing under the Postpetition Credit Agreement and comply with Subsection 2.2(b) thereof in respect of any letters of credit. Upon the occurrence of the Effective Date and the receipt by the Postpetition Agent of all such amounts and such compliance with Subsection 2.2(b), the Termination Date (as defined in the Postpetition Credit Agreement) shall occur and the Postpetition Lenders' commitments to make revolving loans or to issue letters of credit under the Postpetition Credit Agreement and/or the Final DIP Order shall be terminated.

45. Authorization to Take Acts Necessary to Consummate Stock

Purchase Agreement. The Stock Purchase Agreement and the Amendment are hereby approved and LJSR is authorized to enter into the Stock Purchase Agreement and the

Amendment. The Stock Purchase Agreement, as amended by the Amendment, shall constitute the Stock Purchase Agreement. LJSR hereby is authorized and directed to take such actions and to perform such acts as may be necessary or appropriate to implement the Stock Purchase Agreement, and all documents, instruments and agreements related thereto and all annexes, exhibits, and schedules appended thereto, and the obligations thereunder shall constitute legal, valid, binding and authorized obligations of the respective parties thereto, enforceable in accordance with their terms. LJSR hereby is authorized to take such actions, to perform all acts, to make, execute, and deliver all instruments and documents, and to pay all fees and expenses as set forth in the documents relating to the Stock Purchase Agreement and that may be required or necessary for LJSR's performance thereunder. Without limiting the foregoing, LJSR is authorized and directed as of the Effective Date to pay over to the Successor Entity in order to fund Distributions to holders of Allowed Claims, the cash proceeds of the Financing Transactions, in an amount equal to the Purchase Price ~~less~~ \$15,000,000; provided that in no event shall the sum of Cash paid for the Shares and the proceeds of the Financing Transactions paid to the Successor Entity be less than the Purchase Price under the Stock Purchase Agreement; and provided further that (i) the consideration paid by the Purchaser for the Shares shall be deemed equal to the difference between the Purchase Price ~~less~~ the proceeds of the Financing Transactions paid to the Successor Entity and (ii) nothing herein shall relieve the Purchaser or the Reorganized Debtors to make any other payments which it is required to make under the Plan, the Stock Purchase Agreement or this Confirmation Order (including, without limitation, obligations to make payments under Section 5.02(b) of the Stock Purchase Agreement or pay severance obligations to employees of the Debtors). The Stock Purchase Agreement shall, upon

consummation thereof be deemed consummated following the effectiveness of the discharge under section 1141 of the Bankruptcy Code.

46. Authorization to Take Acts Necessary to Enter Into Financing Transactions. The Financing Transaction Documents are approved and the Debtors and the Reorganized Debtors are authorized to enter into the Financing Transaction Documents in substantially the form filed with the Court. The Reorganized Debtors shall be, and hereby are, authorized and directed to enter into the Financing Transactions and to take such actions and to perform such acts as may be necessary or appropriate to implement the Financing Transactions, and all documents, instruments and agreements related thereto and annexes, exhibits, and schedules appended thereto, and the obligations thereunder shall constitute legal, valid, binding and authorized obligations of the respective parties thereto, enforceable in accordance with their terms. The Reorganized Debtors shall be, and hereby are, authorized to do or perform all acts, to make, execute, and deliver all instruments and documents and to pay all fees and expenses, that are set forth in the documents relating to the Financing Transactions and that may be required or necessary for the Reorganized Debtors' performance thereunder.

47. Exemption From Certain Taxes. Pursuant to section 1146(e) of the Bankruptcy Code,

(i) (A) the issuance and transfer of the Shares, (B) the execution, delivery, filing or recording of any mortgage, deed of trust, leasehold mortgage, financing statements or other security interest or other instrument in connection with the Financing Transactions and (C) the making of any agreement or instrument in furtherance of, or in connection with, the Plan, including any merger agreements, agreements of consolidation, restructuring, disposition, liquidation or dissolution, deeds, bills of sale, or assignments executed in connection with the Stock Purchase Agreement and the Financing Transactions, will not be subject to any stamp tax, sales and use tax or similar tax (including, without limitation, transfer and recordation tax); provided that in the event that any such tax shall be payable, (x) the Successor Entity shall pay all such Taxes

(other than Taxes arising from the recognition of gain from such transfer) arising from the transfer of assets from the Debtors to the Successor Entity on the Effective Date (and the transfer of Excluded Assets to third parties) and (y) the Reorganized Debtors shall be obligated to pay any other such amount;

(ii) the Reorganized Debtors, the Successor Entity and the Purchaser, and their respective agents or representatives, are authorized to serve upon all filing and recording officers a notice to evidence and implement the foregoing; and

(iii) all filing and recording officers, wherever located and by whomsoever appointed, are hereby authorized and directed to accept for filing and recording (i) all instruments made or delivered by or to any of the Debtors, (ii) all mortgages, deeds of trust, leasehold mortgages, financing statements or other instruments in connection with the Financing Transactions and (iii) all deeds, leases or other documents relating to the Financing Transactions without the payment of any such taxes and without presentation of any affidavits or returns otherwise required for recording, other than this Confirmation Order; and this Court shall specifically retain jurisdiction to enforce the foregoing.

48. Professional Compensation and Reimbursement Claims. All entities seeking an award by the Court of compensation for services rendered or reimbursement of expenses incurred through and including the Effective Date under section 503(b)(2), 503(b)(3), 503(b)(4) or 503(b)(5) of the Bankruptcy Code (I) shall file their respective final applications for allowances of compensation for services rendered and reimbursement of expenses incurred through the Effective Date by the date that is 45 days after the Effective Date or such other date as may be fixed by the Court and (ii) if granted, such an award by the Court shall be paid in full in such amounts as are awarded by the Court by the Successor Entity (y) on the date such Administrative Claim becomes an Allowed Administrative Claim, or as soon thereafter as is practicable or (x) upon such other terms as may be mutually agreed upon between such holder of an Administrative Claim and the Successor Entity.

49. Objections to and Resolution of Claims and Interests.

(a) On or before the 60th day after the Effective Date (unless such deadline is extended by the Bankruptcy Court), the Reorganized Debtors or the

Successor Entity, as the entity obligated to make Distributions on account of such Claim, shall notify each holder of a Claim filed with the Bankruptcy Court with respect to which such entity disputes liability in whole or in part if such entity has not theretofore so notified such holder. Prior to the Effective Date, the Debtors will have sole responsibility for prosecuting, withdrawing or settling objections to the allowance of any Claim with respect to which such notice was provided. From and after the Effective Date, the Successor Entity shall have the exclusive responsibility for prosecuting, withdrawing or settling objections to the allowance of all Claims, except (x) as provided in Section 6.2(b) of the Plan, and (y) with respect to the resolution of Disputed Class 4 Claims (other than Disputed Class 4 Claims of present or former employees of any Debtor for which the Reorganized Debtors would be exclusively liable if such Claims were Allowed Claims), the Successor Entity shall act at the direction of the Creditors' Committee as provided in the Successor Agreement.

(b) From and after the Effective Date, the Reorganized Debtors shall have the exclusive responsibility for prosecuting, withdrawing or settling objections to the allowance of (i) any Administrative Claim of the type for which the Reorganized Debtors are exclusively liable under Section 3.1(d) of the Plan, including, without limitation, all Federal Administrative/Priority Tax Claims and (ii) all Disputed Class 4 Claims of present or former employees of any Debtor for which the Reorganized Debtors would be exclusively liable if such Claims were Allowed Claims, and the Successor Entity shall have the exclusive responsibility for prosecuting, withdrawing or settling objections to the allowance of all other Claims; provided that if a Claim is filed or Scheduled as an Administrative Claim or a Federal Administrative/Priority Tax Claim and any action to object to, reclassify or settle such Claim is taken, which action could result in such Claim being Allowed as a Claim for which the Reorganized Debtors shall not be responsible for making Distributions under the Plan, the Successor Entity and the Reorganized Debtors shall have joint control and responsibility for such action, as set forth in the Successor Agreement.

(c) The Reorganized Debtors shall provide to the Successor Entity and its advisors and counsel reasonable access to the books, records and employees of the Debtors and the Reorganized Debtors to enable the Successor Entity to reconcile and resolve Disputed Claims and the employees of the Reorganized Debtors shall cooperate and provide reasonable assistance in reconciling and resolving Disputed Claims in response to reasonable requests of the Successor Entity; provided that nothing in this paragraph shall require the Reorganized Debtors (i) to expend any out-of-pocket expenses in connection with such reconciliation or (ii) to be entitled to receive compensation from the Successor Entity in connection with such assistance.

50. Cash Reserves Under Section 7.3(a) of the Plan. Pursuant to Section 7.3(a) of the Plan, on the Effective Date the Successor Entity shall deposit cash reserves in interest-bearing accounts as set forth below:

(a) (INTENTIONALLY OMITTED).

(b) \$0 to be used exclusively to make Distributions on account of all unpaid Allowed PACA Claims as determined pursuant to Section 7.10 of the Plan

(c) \$464,000 to be used exclusively to make Distributions on account of the Maximum Allowable Amount of each Disputed PACA Claim (the "Disputed PACA Claims Reserve");

(d) \$1,675,000 to be used exclusively to make Distributions in full in Cash on account of (i) Allowed Administrative Claims (other than Allowed Administrative Claims for which the Reorganized Debtors are exclusively liable under Section 3.1(d) of the Plan), including, without limitation, Reclamation Claims and (ii) all statutory fees of the type described in Section 3.1(c) of the Plan which are due and payable as of the Effective Date;

(e) (i) \$430,000 to be used exclusively to make Distributions on account of the Maximum Allowable Amount of each Disputed Administrative Claim (other than any Disputed Administrative Claim for which the Reorganized Debtors are exclusively liable under Section 3.1(d) of the Plan or any Administrative Claim of the type described in the immediately following clause (ii) of this subparagraph (e)) and (ii) \$4,450,000 to be used exclusively to make Distributions on account of the Maximum Allowable Amount of (A) Disputed Fee Claims, (B) all accrued and unpaid Fee Claims (including holdbacks of previously Allowed Fee Claims), (C) written estimates of all Fee Claims through and including the Effective Date (or such other date as shall be agreed between the Debtors, the Prepetition Agent and the Committees), including any estimated amounts of Fee Claims relating to the preparation of fee applications (the "Disputed Administrative Claims Reserve");

(f) \$1,000,000 to be used exclusively as the Class 1 Successor Expense Amount;

(g) \$3,370,000 in the Cure Payment Fund to be used exclusively to make Distributions on account of the Allowed Cure Payments;

(h) \$100,000 in the Cure Payment Reserve to be used exclusively to make Distributions on account of the Maximum Allowable Amount of each Disputed Cure Payment;

(i) \$116,000 to be used exclusively to make Distributions on account of all Allowed Other Secured Claims pursuant to Section 5.2 of the Plan;

(j) \$1,600,000 in the Disputed Other Secured Claims Reserve to be used exclusively to make Distributions on account of the Maximum Allowable Amount of each Disputed Other Secured Claim;

(k) \$515,000 to be used exclusively to make Distributions in full in cash on account of all Allowed Priority Tax Claims (other than Allowed Priority

Tax Claims which are Federal Administrative/Priority Tax Claims) pursuant to Section 3.2 of the Plan;

(l) \$1,560,000 (which amount includes the amount to be segregated with respect to any Allowed Claim of taxes for New Mexico under paragraphs 51 and 73 hereof) to be used exclusively to make Distributions on account of the Maximum Allowable Amount of each Disputed Priority Tax Claim (other than any Disputed Priority Tax Claim which is a Federal Administrative/Priority Tax Claim) pursuant to Section 6.3(a) of the Plan;

(m) (i) \$0 to be used exclusively to make Distributions in full in cash on account of all Allowed Priority Claims pursuant to Section 5.3 of the Plan and (ii) \$0 to be used to make Distributions on account of the Maximum Allowable Amount of each Disputed Reclamation Claim;

(n) \$0 in the Disputed Priority Claims Reserve to be used exclusively to make Distributions on account of the Maximum Allowable Amount of each Disputed Priority Claim;

(o) \$7,250,000 in the Class 4 Distribution Fund;

(p) \$750,000 as the Class 4 Successor Expense Amount; and

(q) the amount in Account No. 323-528-163 maintained at The Chase Manhattan Bank to the SE Excluded Asset Account;

provided, that prior to the Effective Date the Debtors and the Successor Entity may, with the consent of the Prepetition Agent and the Creditors' Committee (such consent not to be unreasonably delayed, withheld or conditioned) adjust any of the dollar amounts set forth in clauses (s) through (q) above with respect to deposits or payments to be made on the Effective Date (other than amounts set forth in clauses (o), (p) and (q)) above solely to the extent necessary to comply with the provisions of and to consummate the Plan. \$770,000 of the amount set forth in clause (g) above shall be used solely to pay the Claims of the Consenting Franchisees under paragraph 2 of the Franchisee Stipulation, regardless of whether the amount set forth in clause (g) above is adjusted in accordance with this Confirmation Order.

51. Additional Cash Reserves On the Effective Date the Successor Entity shall deposit cash as set forth below:

(a) \$3,561,000 (as paid by the Purchaser) to the Retention Obligations Fund to pay the Retention Obligations.

(b) \$120,000 (as paid by the Purchaser) to the Class 4 Distribution Fund in full satisfaction of the Purchaser's obligations under Section 5.02(b) of the Stock Purchase Agreement, and

(c) \$450,000 (as paid by the Purchaser) to be used solely to pay the severance Claims of employees of the Debtors at locations leased to the Debtors under any Purchaser Designated Rejected Lease and other employees of the Debtors whose employment will be terminated by the Reorganized Debtors on the Effective Date.

The Successor Entity shall record on its books that \$1,253,191.29 of the Disputed Priority Tax Claim Reserve shall be to be held in a segregated account and used exclusively to pay any Tax Claim of New Mexico which is an Allowed Priority Claim or Allowed Administrative Claim as set forth in paragraph 73 below, and, thereafter, to make Distributions to the Prepetition Agent for the benefit of holders of Allowed Class 1 Claims (as the Prepetition Agent's interest may so appear). The Reorganized Debtors shall be liable for payment of any amounts under clause (c) of this paragraph which are not paid when due by the Purchaser.

52. Reserves for Certain Disputed Claims If a proof of claim shall have been filed as a Priority Claim or as a Priority Tax Claim and such Claim is a Disputed Claim which, if Allowed, could be Allowed in whole or in part as a Class 4 Claim, then, for purposes of determining the Maximum Allowable Amount of such Claim

as a Class 4 Claim pursuant to Section 6.3 of the Plan, the Trustee shall allocate to the Class 4 Disputed Claims Reserve such amount as the Trustee shall reasonably determine in its good faith judgment could be Allowed.

53. Transfer to Prepetition Agent. On the Effective Date, the Successor Entity shall transfer to the Prepetition Agent for the benefit of the holders of Allowed Class 1 Claims an amount equal to the difference between (x) the Adjusted Closing Consideration minus (y) the sum of all amounts set forth in subparagraphs (a) through (q) of the immediately preceding paragraph (as such amounts may be adjusted pursuant to such paragraph). On the Effective Date, all of the Debtors' right, title and interest in the Cash Collateral Account shall be deemed to be transferred to the Prepetition Agent for the benefit of the holders of Allowed Class 1 Claims.

54. Retention Obligations. On the Effective Date, the Successor Entity shall deposit in the Retention Obligations Fund the aggregate amount of cash needed to pay Retention Obligations in accordance with the Retention and Severance Order. The Successor Entity shall pay, as promptly as practicable after the Effective Date, the Retention Obligations from the Retention Obligations Fund in accordance with the Retention and Severance Order, less the amounts paid prior to the Effective Date in respect thereof, in full satisfaction of the Retention Obligations.

55. Approval of Appointment of Trustee. The appointment of Belisle & Associates LLC as Trustee for the Successor Entity is hereby approved. The liability of the Trustee shall be limited as and to the extent set forth in the Successor Agreement. The Trustee shall not settle, compromise or resolve any Claim other than in accordance with Section 4.2 of the Successor Agreement.

36. Subsidiaries of Successor Entity. The Trustee is authorized to create one or more wholly owned subsidiaries of the Successor Entity to hold in trust any Excluded Asset which is real property or any interest in real property (and the fixtures appurtenant thereto). Any Excluded Asset held by any such subsidiary shall be deemed held in trust as if such Excluded Asset were held by the Successor Entity in trust in accordance with the terms and conditions of the Plan and the Successor Agreement. The Trustee shall not directly or indirectly create, incur, assume, or permit to exist any Lien on or with respect to any property held by any such subsidiary, the Trustee's ownership interest in such subsidiary or any other Excluded Asset, other than as set forth in Section 7.7 of the Plan. The Trustee will not transfer any ownership interest in any such subsidiary, except as a means of effecting a disposition of the Excluded Asset held by such subsidiary in accordance with the terms and conditions of the Plan and the Successor Agreement. The Trustee is authorized to pay any real estate taxes and expenses incurred in connection with any transfer of real property or interest in real property held by the Trustee in accordance with the terms and conditions of the Plan and the Successor Agreement.

37. Postponement of Distributions. The Trustee shall consult with the Creditors' Committee prior to each Distribution Date as to whether a Distribution should be made on such Date, in light of the amount available for Distribution and the costs and expenses likely to be incurred in connection therewith. The Trustee shall cancel, or postpone to a date agreed upon by the Trustee and the Creditors' Committee, any Distribution to the holders of Allowed Class 4 Claims as directed by the Creditors' Committee: provided, however, that payments to Consenting Franchisees

on account of their Allowed Class 4 Claims, as set forth in paragraph 3 of the Franchisee Stipulation, shall be made in accordance with the Plan, and the Successor Entity shall provide notice of any postponement or cancellation of Distributions to holders of Allowed Class 4 Claims to the Franchisee Committee. The Trustee shall provide counsel to the Franchisee Committee with a schedule setting forth the amounts of such payments at the time they are made.

58. Payment of Fees. All fees payable by the Debtors on or before the Effective Date pursuant to 28 U.S.C. § 1930 shall be paid by the Debtors on or before the Effective Date and all such fees payable thereafter shall be paid by the Successor Entity.

59. Failure to Consummate Plan. If the Effective Date does not occur on or before one hundred and twenty (120) days after the Confirmation Date, upon notification submitted by the Debtors to the Court: (i) this Confirmation Order shall be vacated, (ii) no Distributions under the Plan shall be made, (iii) the Debtors and all holders of Claims and Interests shall be restored to the status quo ante as of the day immediately preceding the Confirmation Date as though the Confirmation Date had never occurred, and (iv) the Debtors' obligations with respect to the Claims and Interests shall remain unchanged and nothing contained in the Plan shall constitute or be deemed a waiver or release of any Claims or Interests by or against the Debtors or any other person or to prejudice in any manner the rights of the Debtors or any person in any further proceedings involving the Debtors.

60. Continued Employment of Professionals. Bankruptcy Services, LLC which has served as claims agent as provided in a previous order of this Court, is hereby authorized and empowered to assist the Debtors, the Reorganized Debtors and the Successor Entity with the Distributions to be made under the Plan. Keen Real Estate

Consultants, Inc. and Trammel Crow/Doppelt Retail Services, which have served as real estate consultants to the Debtors (together, the "Consultants") pursuant to the Real Estate Retention Agreement approved by order of this Court dated November 5, 1998, are hereby authorized and empowered to assist the Successor Entity with the sale of the remaining Closed Store Property following the Effective Date, and the Successor Entity is hereby authorized and empowered to employ the Consultants solely to assist with such sales (and matters ancillary thereto) and to pay compensation to the Consultants in accordance with the terms and conditions of the Real Estate Retention Agreement. Shearman & Sterling and Young Conaway Stargatt & Taylor as counsel to the Debtors, are hereby authorized and empowered to assist and act as co-counsel for the Successor Entity, as successor to the Debtors and the Debtors' estates, in connection with all matters requested by the Trustee designated under the Successor Agreement. PWC, as accountants to the Debtors, are hereby authorized and empowered to assist and act as accountants for the Successor Entity, as successor to the Debtors and the Debtors' estates, in connection with all matters requested by the trustee designated under the Successor Agreement. The Trustee is authorized to retain or consult with professionals in connection with the resolution of Claims and the performance of the Trustee's duties, as the Trustee reasonably determines in its good faith judgment is necessary. The Creditors' Committee shall continue to exist for the purposes set forth in Section 14.5 of the Plan. Kronish Lieb Weiner & Hellman LLP shall (i) continue to serve as counsel to the Creditors' Committee in respect of those matters set forth in Section 14.5 of the Plan, (ii) is hereby authorized and empowered to assist the Successor Entity and the Trustee in disposing of Closed Store Property and (iii) is hereby authorized and empowered to perform such other services in respect of such other matters set forth in the Successor

Agreement in any way relating to Class 4 Claims. The Trustee is authorized to compensate Kronish Lieb Weiner & Hellman LLP (and any other professional retained by the Creditors' Committee) in the foregoing matters pursuant to the Successor Agreement.

6) Retention of Jurisdiction. Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding the entry of this Confirmation Order or the occurrence of the Effective Date, this Court, except as otherwise provided herein, shall retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases and the Plan to the fullest extent permitted by law, including, but not limited to, the following matters:

(a) to resolve and finally determine the allowance or classification or priority of Claims or Interests;

(b) to construe and take any action to enforce the Plan and to issue such orders as may be necessary for the implementation, execution and consummation of the Plan;

(c) to resolve and finally determine any and all applications for allowance of compensation or reimbursement of expenses;

(d) to resolve and finally determine any other requests for payment of Priority Claims or Priority Tax Claims;

(e) to resolve and finally determine any other request for payment of Administrative Expense Claims;

(f) to resolve any dispute regarding the implementation or interpretation of the Plan or any agreement entered or document executed under the Plan (including, without limitation, the Successor Agreement);

(g) to resolve and finally determine any and all applications pending on the Confirmation Date for the rejection, assumption or assignment of executory contracts or unexpired leases and the allowance of any Claim resulting therefrom;

(h) to resolve and finally determine all applications, motions, adversary proceedings, contested matters and other litigated matters that may be